

Commonwealth of Kentucky
Division for Air Quality
FINAL PERMIT STATEMENT OF BASIS

FINAL CONDITIONAL MAJOR PERMIT
PROGRESS METAL RECLAMATION COMPANY
ASHLAND, KY
OCTOBER 30, 2007
RITA ARGUELLO
AI # 346
AFS # 21-019-00003

MINOR REVISION 1 - F-06-013 REV 1

On October 9, 2007, Progress Rail Services Corporation submitted an application for a modification of the scrap shredder at the Ashland, Kentucky facility. The existing 4000 Hp motor shredder will be replaced with a new 6000 Hp motor. With this power increase, the shredder will have the capacity of 200 tons per hour, the permit does, however, contain an emissions cap of 90 tons per twelve (12) month period to stay below the major source threshold.

Corrections were made in Section B relating to Emission Limitation-Compliance Demonstration, Description, and Specific Control Equipment Operating Conditions.

SOURCE DESCRIPTION (RENEWAL PERMIT):

Progress Metal Reclamation Company (PMR) in Ashland, KY is classified as a scrap wholesaler primarily engaged in automotive scrap processing. The facility currently consists of one electric shredder and a cyclone. The facility has the potential to be a major source of particulate emissions without taking limits. The permittee is currently operating under a Conditional Major permit limiting particulate emissions to less than 90 ton/year.

On August 30, 2004, the Division received an application requesting authorization to construct a new electric shredder. The permittee has dismantled the old shredder and scrapped it. In the permit renewal application the permittee has requested this unit to be deleted from the permit. Also, the Pig Machine, an emission source previously permitted, has been dismantled and removed from the service. It has been deleted from the renewal permit per permittee's request.

In addition the permittee included calculations to estimate fugitive emissions from the on-site Storage Yard and Haul Roads, previously included in the permit as Insignificant Activity. The renewal permit application also indicates that the permittee desires to remain a conditional major source with respect to particulate emissions. The renewal permit includes one electric shredder, a cyclone, and a storage yard and haul roads emission sources.

The original permit, a conditional major, was initially issued on January 30, 2001. The permit presented with this Statement of Basis is a renewal of original permit which expired on January 31, 2006. After, a thorough analysis has been made of all relevant information available that pertains to this source, the division has concluded that compliance with the terms of the permit will ensure compliance with all air quality requirements. Therefore, it is the Division's determination that a Federally Enforceable Conditional Major permit should be issued.

CREDIBLE EVIDENCE:

This permit contains provisions which require that specific test methods, monitoring or recordkeeping be used as a demonstration of compliance with permit limits. On February 24, 1997, the U.S. EPA promulgated revisions to the following federal regulations: 40 CFR Part 51, Sec. 51.212; 40 CFR Part 52, Sec. 52.12; 40 CFR Part 52, Sec. 52.30; 40 CFR Part 60, Sec. 60.11 and 40 CFR Part 61, Sec. 61.12, that allow the use of credible evidence to establish compliance with applicable requirements. At the issuance of this permit, Kentucky has only adopted the provisions of 40 CFR Part 60, Sec. 60.11 and 40 CFR Part 61, Sec. 61.12 into its air quality regulations.

DETAILED UNIT DESCRIPTIONS AND BASIS FOR PERMIT CONDITIONS (RENEWAL):**02 Electric Shredder**

This is the new electric shredder. The conditions for operating this unit are essentially the same as for the existing shredder. The new limit affords the permittee more operational flexibility by allowing any combination of production rate (up to the maximum equipment capacity) and total hours of operation to achieve compliance with the 90 ton/year limit. Also, the equations listed to demonstrate compliance with 401 KAR 59:010 were incorrect and have been changed in this permit.

03 Pig Machine

This unit has been removed from service and has been dismantled. The unit has been deleted from the renewal permit per permittee's request.

04 Storage Yard & Haul Roads

In the previous permit, this source was listed as an insignificant activity. The calculations provided with the most recent application estimate fugitive particulate emissions in excess of 5 tons/year. As a result, this source has been removed from the insignificant activities list and added to SECTION B. 401 KAR 63:010 Fugitive emissions is the only applicable requirement. This unit has been added to the renewal permit as a Fugitive emission source.